



Competitive Grant Announcement



Financial Crime-Free Communities
Support Program (C-FIC):
An Anti-Money Laundering
Grant Program

Fiscal Year 2002

Submission Deadline: July 3, 2002

Bureau of Justice Assistance
Office of Justice Programs
U.S. Department of Justice



About the Treasury Department and BJA

The U.S. Department of the Treasury (Treasury) and the U.S. Department of Justice (Justice) oversee the majority of the federal government's anti-money laundering enforcement and regulatory efforts. Together, Treasury and Justice produce the annual *National Money Laundering Strategy*. To strengthen Treasury's partnerships with state and local governments in the fight against money laundering, Congress established the Financial Crime-Free Communities Support (C-FIC) Anti-Money Laundering Grant Program.

The Bureau of Justice Assistance (BJA), a component of the Office of Justice Programs (OJP) within Justice, supports innovative programs that strengthen the nation's criminal justice system. BJA's mission is to provide leadership and a wide range of assistance to local criminal justice agencies to make America's communities safer. To accomplish this mission, BJA provides funding, training, technical assistance, and information to state and community criminal justice programs, emphasizing the coordination of federal, state, and local efforts.

Treasury and Justice (BJA and OJP) will jointly implement the C-FIC Anti-Money Laundering Grant Program.

Background

In the Money Laundering and Financial Crimes Strategy Act of 1998, Pub. L. 105-310 (Oct. 30, 1998), Congress directed Treasury to establish a program to provide funds to state and local law enforcement agencies to detect, prevent, and suppress money laundering and related financial crimes, whether related to narcotics or other underlying offenses. State and local enforcement officials, including regulatory officials, and state and local prosecutors are aptly suited to identify potential money laundering activity and to adjust enforcement and prosecution efforts to local conditions.

C-FIC grants are to be used as seed money for state and local programs that seek to address money laundering systems within their jurisdictions. C-FIC grants will help state and local communities marshal information and expertise to build innovative approaches to money laundering enforcement and prosecution. C-FIC can also

provide state and local recipients with training and technical assistance to combat these crimes. Treasury, OJP, and BJA entered into a Memorandum of Understanding (MOU) to govern the administration of the C-FIC Program.

About This Solicitation

Through this competitive solicitation for applications, Treasury and Justice encourage state and local law enforcement agencies and prosecutor's offices to identify emerging or chronic money laundering issues within their jurisdictions and propose innovative strategies for addressing those issues. C-FIC monies should be used to address money laundering itself and not the predicate offenses which give rise to illicit profit.

Applications must adhere to the administrative requirements outlined in this document and follow the format prescribed in the Selection Criteria (see page 4). Applications not adhering to the administrative requirements or the prescribed

format will not be considered. Submissions will be reviewed by a panel of expert practitioners (peer review), who will make recommendations for awards to BJA. BJA in turn will review and forward recommendations to Treasury. Treasury will then select the applications to be awarded. BJA will administer the C-FIC grants and monitor the individual projects.

Who Is Eligible?

Applicants are limited by statute to state and local law enforcement agencies or prosecutor's offices. State attorneys general offices, district attorneys, and law enforcement agencies may apply. Partnerships and interagency collaboration are encouraged; however, a state or local law enforcement agency or state or local prosecutor must be the applicant.

Amount and Length of Awards

C-FIC grant recipients will be selected by the Secretary of the Treasury, in consultation with the Attorney General. Individual grants will be awarded and administered by BJA and OJP. In FY 2002, up to 10 awards will be made. Each award will be up to \$300,000 and have a project period of up to 18 months. Recipients of C-FIC grants will be eligible to apply for renewal C-FIC grants at the appropriate time.

Administrative Requirements

The Application Kit and instructions are available from BJA's web site at **www.ojp.usdoj.gov/BJA/html/apply1.htm**. Copies also are available from the BJA Clearinghouse at

1-800-688-4252 or the U.S. Department of Justice Response Center at 1-800-421-6770.

To be considered for funding, applicants must:

- ◆ Submit an original and 9 copies of their application package.
- ◆ Complete, sign, date, and submit all forms in the BJA Application Kit.
- ◆ Submit a detailed narrative describing the proposed project. The narrative must address each Selection Criteria on page 4 in the sequence shown, and it must not exceed 25 pages.
- ◆ Submit a detailed timeline showing the chronology of task inception and completion and progress milestones.
- ◆ Submit a budget that reflects the estimated cost of the activities described in the proposal.
- ◆ Submit a copy of your state's money laundering statute and any other relevant state or local authorization to investigate or prosecute money laundering and related financial crimes. Applicants should include the basis, if any, for their authority to seize or forfeit assets.
- ◆ Submit the resume of the proposed project director. The resume must clearly indicate his or her experience in money laundering enforcement and prosecution.
- ◆ Submit the application narrative on 8½- by 11-inch paper in standard 12-point font. The narrative portion of the proposal must be double-spaced.

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Note: Federal law requires that, to the extent that monies are received by the grantee via asset forfeiture as a result of efforts funded by the grant, a C-FIC grant recipient must agree to return C-FIC monies awarded, up to the amount of the award, whether or not the forfeiture occurs during the period of the grant. 31 U.S.C. 5352(c)(1).

Selection Criteria

Applications must propose strategies to develop or enhance state and local programs that seek to address money laundering systems within their jurisdictions. The following criteria will be considered in the selection of FY 2002 C-FIC grant awards. Each submission must answer the following questions in the order presented below. List each question by number, followed by your answer. Papers not following this format will be removed from the review process.

1. What specific money laundering-related problem(s) in your jurisdiction does your proposal address? (20 points)

Each application must include a preliminary threat assessment that identifies the most significant money laundering risks to be addressed using C-FIC grant funds. The application should describe and/or demonstrate that the jurisdiction is focusing on a significant money laundering problem or risk, as identified in the threat assessment, in a manner consistent with the National Money Laundering Strategy (www.treas.gov/press/releases/docs/ml2001.pdf). The threat assessment should focus on identification of money laundering systems, including those systems that support the financing of terrorist entities, and prioritize what activities most need law enforcement attention. The assessment should not focus on underlying offenses.

2. Specifically, how will the award of C-FIC grant funds be used to accomplish your proposal's objectives? (25 points)

Provide an overview of your initiative. Clear and strong links should exist between what you are proposing and how it will address the problem(s) you described in Question 1. This criterion is seeking innovative approaches to investigation, disruption, and prosecution of those involved in money laundering systems. Grant funds are **not intended** to be used to fund investigative efforts focused primarily on the predicate crimes that generate launderable proceeds.

3. How will you regularly measure outcomes for the program throughout its operation? (10 points)

Each applicant must submit an analysis of how it will target the problem that it seeks to address and how it will measure its success. The application must contain at least three performance measures and discuss how the applicant (and program auditors) can assess those measures. Effectiveness need not be measured by immediate arrests or cash seizures, although such statistics may be relevant. State clearly how the applicant will distinguish the effects of the C-FIC funded efforts from the effects of other non-program factors. Specify who will be responsible for conducting the analysis or evaluations, whether that person or entity is independent from the applicant, and detail the evaluator's experience in collecting and analyzing such data. The applicant must provide assurances that any entity conducting an evaluation of the applicant's performance under the grant, or any entity from which the applicant receives information, has experience in gathering data related to money laundering and related financial crimes. (31 U.S.C. 5352(a)(2)(c)).

Note: Each grant awardee will be required to assess the level of cooperation between it and the federal, state, and local law enforcement, prosecutorial and regulatory agencies involved in fighting money laundering and related financial crimes. BJA requires grantees to submit the semi-annual Categorical Assistance Progress Report, due within 30 days of June 30 and December 31 of each year in the grant period. (Go to www.ojp.usdoj.gov/BJA/resource/ml.pdf for a sample of the progress report required for C-FIC grantees.) The reports will also include biennial surveys that will enable BJA and the Treasury Department to evaluate the C-FIC Program. Failure to file the reports as required can result in administrative action including loss of funding.

4. How will agencies collaborate in the project? Include signed copies of all interagency agreements and MOUs. Include a description of proposed or existing partnerships and how state and local prosecutors, law enforcement agencies, and relevant regulatory officials will be incorporated. Describe how information from appropriate academic or research disciplines will be integrated into your proposal. (25 points)

List your partners, whether this is a new or existing collaboration, and describe in detail the role they will play in your strategy. For example, who will have primary responsibility for a task, what level of participation from others will be necessary to accomplish that task, and how will that cooperation be obtained? We expect that state or local investigative agencies will have a collaborative relationship with a state or local prosecuting office and that prosecuting agencies will have an investigative capability.

If your proposal for C-FIC funds depends on other agencies to provide additional work or services, detail the commitment of those agencies to provide that work or service, identify the responsible officials for ensuring that the commitment will be fulfilled, and provide contact information for those responsible officials.

Note: Applicants who are situated within or adjacent to a High Risk Money Laundering and Financial Crime Area (HIFCA) must include in their proposal the means by which they will work with or coordinate with the HIFCA action team. The National Money Laundering Strategy for 2001 designated five geographic areas as HIFCAs—New York/Northern New Jersey, Los Angeles, San Juan (Puerto Rico), Chicago, and San Francisco, and one system HIFCA, the smuggling of bulk cash across the Southern border. More HIFCAs may be designated in the future as provided by P.L. 105-310. Collaboration is strongly encouraged in the following manner: (1) coordination with the action team of a designated HIFCA site, and (2) participation with appropriate regulatory agencies.

5. What is the projected budget for the project? Use the appropriate worksheet included in the BJA Application Kit. (20 points)

The budget must set forth in detail the projected expenditures of the project. If funds from other sources are included, they should be described. The budget narrative *must* describe not only the costs of the program but also the cost-benefits to the jurisdiction. The narrative will describe how the use of C-FIC grant funds can result in progress being made toward the fight against money laundering activities, and it will describe how the grant will affect the money laundering target site after the grant period has ended. Provide detailed

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job descriptions of any persons who will be paid through the C-FIC funds.

Note: Provisions for overtime pay will be closely scrutinized. Overtime must be clearly related to the counter-money laundering activities set forth in the application. Overtime may be justified on that basis alone. Amounts considered excessive or not sufficiently related to the project will be disallowed.

6. Each application must include the qualifications of the proposed project director together with a description of the project's structure.

A resume of the proposed project director and a short description of the qualifications of other members of the project staff to carry out the proposed project is required, together with a statement of the qualifications of the applicant to perform the duties under the grant if awarded.

Deadline and Submission

An original application with signatures and nine copies must be date stamped by the delivery service no later than 5 p.m. eastern standard time on **July 3, 2002**.

Applicants are advised **NOT** to send their applications via the U.S. mail due to delays caused by the screening of U.S. mail addressed to the Justice Department. Applications date stamped after the deadline will **NOT** be considered. BJA will not grant extensions of the deadline or accept faxed submissions.

Applications should be delivered to:
Bureau of Justice Assistance
Attention: BJA Control Desk
5640 Nicholson Lane, Suite 300
Rockville, MD 20852

Publications for Reference

- ◆ *The National Money Laundering Strategy for 2001*, September 2001, U.S. Department of the Treasury and the U.S. Department of Justice. (www.treas.gov/press/releases/docs/ml2001.pdf)
- ◆ *The National Money Laundering Strategy for 2000*, March 2000, U.S. Department of the Treasury and the U.S. Department of Justice. (www.treas.gov/press/releases/docs/ml2000.pdf)
- ◆ *The National Money Laundering Strategy for 1999*, September 1999, U.S. Department of the Treasury and the U.S. Department of Justice. (www.treas.gov/press/releases/docs/money.pdf)

The National Money Laundering Strategy is published annually. Applicants should check the web sites listed above for later editions.

For More Information

The staff of the U.S. Department of Justice Response Center is available at 1-800-421-6770 to answer questions about this solicitation. Applicants will receive a postcard acknowledging BJA's receipt of their application 4 to 6 weeks following the submission deadline. Awards are expected to be announced on or before September 23, 2002.

For general information about BJA programs, training, and technical assistance, contact the BJA Clearinghouse at 1-800-688-4252 or access the BJA home page at www.ojp.usdoj.gov/BJA.